



FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FEDERAL INSURANCE MITIGATION ADMINISTRATION (FIMA) APPEAL DECISION

FEMA Flood Insurance Appeal Decision #A4

OVERVIEW

The policyholder filed an appeal January 2021, alleging their flood insurance carrier (hereinafter “insurer”) improperly denied their claim under the Standard Flood Insurance Policy (SFIP)¹ for damages to covered property arising from a claimed loss event in December 2020.²

In its review, FEMA found the following facts relevant:

- At the time of loss, the policyholder had \$150,000 of building coverage and \$60,000 of personal property coverage.
- The policyholder filed a claim with the insurer and the insurer assigned an adjuster to inspect the property.
- In January 2021, the adjuster inspected the insured property and could not confirm a general and temporary condition of flood existed. The adjuster found no exterior or interior watermarks. The adjuster noted no other properties were affected by flood.
- The adjuster concluded the damages in the basement resulted from an isolated drainage issue. The adjuster noted a sump pump overflowed and caused water to seep into the basement.
- The adjuster recommended the insurer close the claim without payment due to no general and temporary condition of flood on the claimed date of loss.
- In a letter dated January 2021, the insurer denied the policyholder’s claim citing general and temporary condition of flood on the claimed date of loss.
- The policyholder appeals the denial to FEMA.
- In support of the appeal, the policyholder provides an article and weather report. Because this information does not respond to the insurer’s reason for denial, FEMA’s decision is based on the documentation in the claim file.

RULES

The insurer agrees to pay the policyholder for direct physical loss by or from flood to insured property, provided the policyholder complied with all terms and conditions of the SFIP.³

¹ See 44 C.F.R. § 61.13 (2020); Dwelling Form available at 44 C.F.R. pt. 61 App. A(1) [hereinafter “SFIP”].

² The policyholder files this appeal under 44 C.F.R. § 62.20. The appeals process is available after the insurer issues a written denial, in whole or in part, of the policyholder’s claim. The policyholder’s appeal and related documents concerning the appeal, claim, or policy are on file with FEMA, Federal Insurance and Mitigation Administration, Federal Insurance Directorate, Policyholder Services Division, Appeals Branch [hereinafter “Appeal File”].

³ See SFIP (I).

A flood is defined as a temporary inundation of two or more acres of dry land or two or more adjoining properties, one of which is the policyholder's property, by inland or tidal overflow; rapid accumulation of rainfall or snowmelt; or mudflow. In order to qualify for coverage, the SFIP requires a general condition of flooding to exist at the described location on the reported date of loss.⁴

ANALYSIS

The policyholder contests the denial of coverage due to no general and temporary condition of flood.

The insurer agrees to pay the policyholder for direct physical loss by or from flood to insured property. The SFIP defines a flood as a temporary inundation of two or more acres of dry land or two or more adjoining properties, one of which is the policyholder's property, by inland or tidal overflow; rapid accumulation of rainfall or snowmelt; or mudflow. In order to qualify for coverage, the SFIP requires a general condition of flooding to exist at the described location on the reported date of loss. The two or more acres must be continuous acres and that the two or more inundated parcels of land must touch.⁵

Here, the adjuster did not locate any exterior or interior waterlines on the insured property. The adjuster noted a sump pump overflowed and caused water to seep into the basement. Additionally, the adjuster noted no inundation of water on properties in the immediate area on the claimed date of loss.

The policyholder provides an article and weather report discussing mass power outages and other storm impacts in the area; however, this documentation does not support a flood, as defined by the SFIP, occurred on the claimed date of loss. For these reasons, FEMA's review finds the insurer correctly denied the claim due to no general and temporary condition of flood.

Based on the information presented, FEMA agrees with the insurer's claim decision.

CONCLUSION

Based on the facts and analysis above, FEMA concurs with the insurer's decision to deny coverage due to no evidence of a general and temporary condition of flood.

⁴ See SFIP (II)(A)(1).

⁵ See National Flood Insurance Program Claims Manual (May 1, 2020).